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ACTION: Embassy BANGKOK - PRIORITY 625

Info:

INFO: Embassy DJAKARTA 425  
Embassy RANGOON 171  
Embassy SAIGON 413

Your 643. Embassy is to be commended for its skilful presentation of US position on two conditions raised by RTG. Assume from reftel RTG will drop insistence on first condition. If after October 5 conference between officials Fornoff and Minocconaffairs RTG continues insist on second condition, you should reiterate Indonesia's need for additional rice is immediate and urgent and should inform RTG we cannot delay delivery until after March, 1963, of additional 150,000 MT rice we proposing offer GOI as amendment Title I PL 480 Agreement of February 19, 1962. Most important consideration for RTG, it would seem to us, is not when PL 480 rice delivered but whether GOI complies with usual marketing requirement. On this point, you should reiterate that Indonesia's need for rice so great there no danger this sale would reduce pressure on GOI to buy the 650,000 MT from commercial suppliers it agreed to in February 19 agreement and you should assure RTG our willingness continue supplying PL 480 rice to Indonesia contingent on satisfactory compliance usual marketing requirements. We would hope these assurances would allay RTG fears and permit us move ahead with sale to Indonesia without further delay.

End

Drafted by:

OR:FD:CGP:GOW:rh:10/5/62  
FAS - Mr. Roberts (subs)

Telegraphic transmission and  
classification approved by:

OR:FD:Howard M. Gabbott

Clearances:

SEA - Mr. Wright

SPA - Mr. Jarvis

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FORM  
DS-322

DECLASSIFIED  
Authority NND 949629  
By 207 NARA Date 8/11/00

(36)  
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37-M  
Action  
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Control: 3263  
Rec'd: OCTOBER 4, 1962  
10:44 AM

Info

FROM: BANGKOK

SS

TO: Secretary of State

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NO: 643, OCTOBER 4

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ACTION DEPARTMENT NIACT 643 INFORMATION DJAKARTA 20  
RANGOON 45, SAIGON 181, NEW DELHI 21.

PASS AGRICULTURE

REF: DEPTTEL 531; EMBTEL 520; NEWDELHI 986 TO DEPARTMENT

EMBASSY OFFICIALS OCTOBER 4 AGAIN INQUIRED FORNOFF RE DELAY  
DELIVERY NOTE PROMISED EARLIER RE RICE FOR INDONESIA. FORNOFF  
OFFICIAL CONVEYED SUBSTANCE DRAFT NOTE PLANNED OCTOBER 5  
DELIVERY WHICH WOULD STATE NO OBJECTION IN PRINCIPAL SUBJECT  
FOLLOWING TWO CONDITIONS:

(1) "INDONESIA PURCHASE 250,000 M. T. THAI RICE;" (2) THE U. S.  
DELAY DELIVERY TIL AFTER MARCH 1963 AS NOVEMBER-MARCH PERIOD WHEN  
THAI RICE NORMALLY MOVES TO INDONESIA.

EMBASSY OFFICIAL URGED THAT THESE BE DROPPED FROM FINAL DRAFT  
BECAUSE THEY WOULD CAUSE SERIOUS DIFFICULTIES IN WASHINGTON.

RE (1) ABOVE SAID (A) U. S. COULD NOT TELL INDONESIANS WHERE AND  
HOW TO BUY RICE, (B) U. S. HAS AND WILL CONTINUE INSIST ON NORMAL  
MARKETING PROVISION EVEN TO HOLDING UP ISSUANCE PA EVENT NON-  
COMPLIANCE, (C) THAT DURING LAST THREE INDONESIA HAD MORE THAN  
COMPLIED WITH NORMAL MARKETING PROVISIONS AND WOULD BELIEVED WILL  
CONTINUE LIVE UP TO COMMITMENTS, (D) THIS YEAR DUE GREAT NEED NO  
QUESTION GOI WOULD REQUEST MORE THAI RICE, POINT ALSO MADE THAT  
SINCE GOI PRESENTLY UNAWARE U. S. ONLY PREPARED OFFER 150,000

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ACTION ASSIGNED TO: <u>F. O. R. H.</u>	ACTION TAKEN: <u>Sept 11 62 to Bangkok</u>
NAME OF OFFICER <u>G. G. Petrus</u>	DATE OF ACTION: <u>10/5/62</u>
OFFICE SYMBOL	DIRECTIONS TO RM/R: <u>F. O. R. H.</u>

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FROM: DJAKARTA

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TO: Secretary of State

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IN VIEW (1) US INABILITY MEET INDONESIA'S TOTAL REQUEST  
PL 480, TITLE I RICE, (2) USUAL IMPORT REQUIREMENT  
CALENDAR 1962 MET AND (3) GOI SEARCHING FOR RICE UNDER  
CREDIT, WOULD INDONESIA QUALIFY FOR A PL 480, TITLE IV  
PROGRAM?

IF SO, WHAT QUANTITY OF RICE COULD BE IMMEDIATELY MADE  
AVAILABLE AND WHAT ARE THE CREDIT TERMS?

IF APPROPRIATE, EMBASSY WILL INFORM GOI OF POSSIBILITY  
OF NEGOTIATING A TITLE IV AGREEMENT.

HENDERSON

SJR

DJAKARTA 711

411.9841/10-1962

XR 611.9841

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ACTION	ASSIGNED TO: E. A. R. F. D.	TAKEN BY: [Signature]	DATE OF ACTION: 11/28/62	DIRECTIONS TO RM/R: File
NAME OF OFFICER	C. G. Petrow			

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